

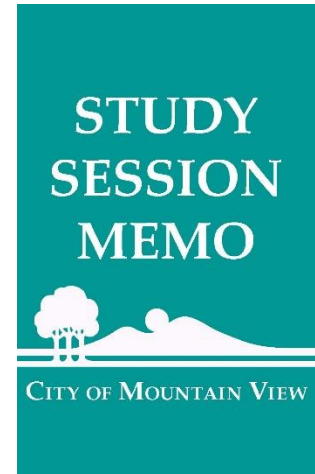
DATE: September 28, 2021

TO: Honorable Mayor and City Council

FROM: Kimberly S. Thomas, Assistant to the City Manager
John Lang, Economic Vitality Manager
Harsha Ramchandani, Management Fellow

VIA: Kimbra McCarthy, City Manager

TITLE: **Guaranteed Basic Income Pilot**



PURPOSE

The purpose of this Study Session is to receive Council input on staff recommendations for the design of a Guaranteed Basic Income pilot program.

BACKGROUND

Guaranteed Basic Income in the Context of the City's Priority of a Community For All

The City has been at the forefront regionally with its COVID-19 response, including providing rent relief to Mountain View renters, grants and micro-loans to small-business owners, safe parking, and many additional programs for the most underserved residents in the community. The City Council also took action by providing \$3 million for direct cash assistance as part of the Fiscal Year 2021-22 Adopted Budget to three associated, but distinct, programs.

These programs align with the City Council's recently adopted Strategic Roadmap, which includes a Community for All Strategic Priority. For more than four years, as part of this Priority, the City has undertaken many programs, policies, and actions to invest directly in vulnerable populations and preserve Mountain View's socioeconomic and cultural diversity. As shown in Figure 1 below, the City's efforts range from long-standing programs like the Multicultural Engagement Program to the more recent COVID-19 relief initiatives and upcoming projects in the Strategic Roadmap Action Plan.

The three direct cash assistance initiatives include \$1 million for a Guaranteed Basic Income (GBI) Pilot, which is the subject of this report; \$1 million to the Community Services Agency (CSA); and \$1 million to the Mountain View Solidarity Fund. Each initiative is focused on addressing the needs of the most disadvantaged in our

community. The scope and status of funding to CSA is summarized below. The parameters for funding to the Mountain View Solidarity Fund is addressed in a separate Study Session memorandum on the September 28, 2021 Council agenda.

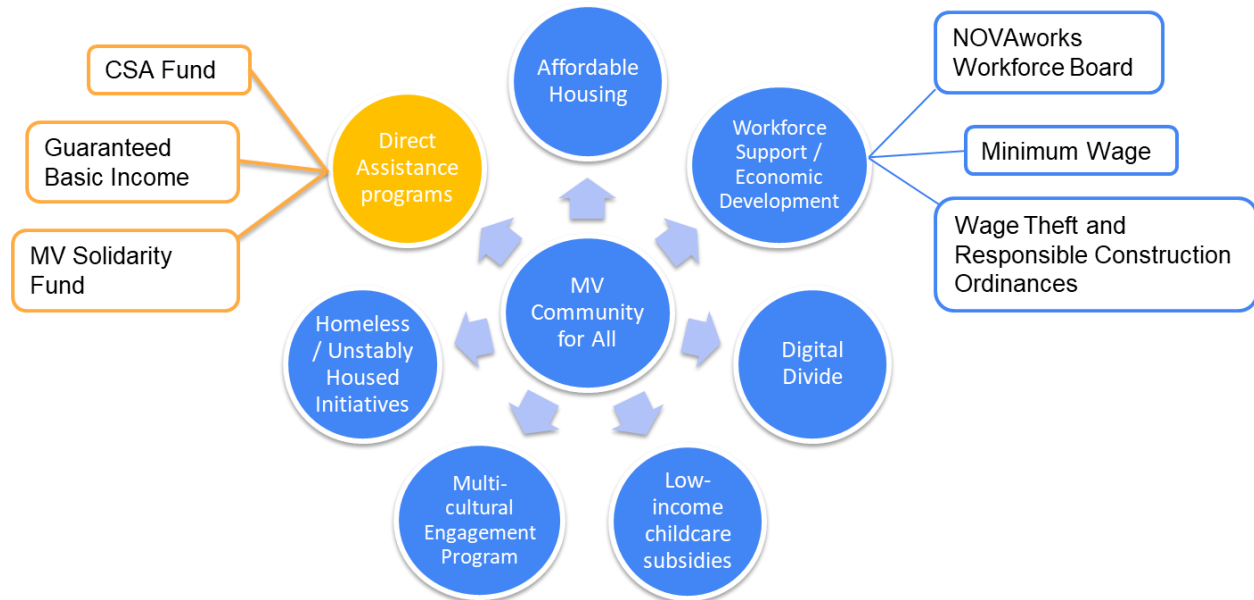


Figure 1: Guaranteed Basic Income – Part of Mountain View Community for All

Community Services Agency (CSA) Fund

The City’s appropriation of \$1,000,000 will support \$750,000 for direct financial assistance payments to Mountain View residents and \$250,000 to be used at CSA’s discretion to fund priority needs as deemed appropriate. The funding enables CSA to provide a broad range of financial assistance to the community, including, but not limited to, help with maintaining housing (rent, mortgage, utilities, etc.), assistance with vehicle repairs, transportation access, medical, dental, and eye-care assistance, and other challenging costs, such as funeral expenses. The contract amendment authorized by the City Council on June 8, 2021 has been completed, and funding has been disbursed to CSA.

Council Direction to Date

In addition to the appropriation of funding in the Adopted Budget, the City Council also adopted a resolution on May 25, 2021 committing support for the principles of a basic income program and the development of a cash-based pilot program in Mountain View. This resolution also authorized participation in the Mayors for a Guaranteed Income (MGI) initiative, a network of 60+ mayors advocating for a guaranteed income to ensure that all Americans have an income floor support ([Attachment 1](#) to this Study Session

memorandum). In taking this action, the Council affirmed their support to further address the growing income inequality arising out of the pandemic. Also discussed was a goal to raise additional philanthropic investments to extend the program.

Overview of Guaranteed Basic Income Programs

GBI programs provide a flat monthly cash payment to a defined population of residents. GBI programs are not like other financial assistance programs – they are unconditional, unrestricted, and include regular payments for a period of time, often while collecting survey and participation data that helps inform larger policy and program development focused on alleviating poverty. Programs can offer connections to other social safety-net programs to assist in longer-term stabilization of residents in need, but this is not required. Unlike other government assistance programs that have specific restrictions and requirements, GBI recipients are empowered to make their own decisions on how to spend the money in the way that best meet their basic needs, providing dignity and self-determination.

Evolution of GBI Policy to Implementation and Action

In recent years, basic income has moved from policy proposals to action with pilots and experiments being conducted around the nation and the world, addressing poverty, providing economic stimulus, promoting community-building, and increasing social mobility and equity. In the last two years, 19 GBI pilot programs across the United States have launched with another 20 pilot programs being developed in 2021. MGI indicates that 50 mayors have joined the initiative as their cities are launching or exploring a guaranteed-income pilot. Nationally, the cities of San Antonio, TX, Saint Paul, MN, Richmond, VA, Los Angeles, CA, and New York, NY have announced or launched guaranteed income programs using public funds for programs mostly focused on low-income women, children, and families. The State of California is providing \$35 million in general funds over five years to support guaranteed income demonstrations around the State. The State funding is focused on qualifying pregnant women and young adults who have aged out of the foster-care system.

Given the exploratory nature of GBI programs, there is considerable variation both in the design and individuals served. Most programs last between one and two years. A common element for pilot programs is a robust independent research element that offers insights and measurement of how unconditional cash assistance impacts outcomes for the people involved. Most of the early pilots have been philanthropically funded, but there has been a shift to using public funding to address the direct and residual impacts of the pandemic.

GBI Programs Nationally

The table below describes some of the national programs.

Table 1: Sample of Publicly Funded GBI Projects Nationally

Jurisdiction	Program Details	Population Served
San Antonio, TX	<ul style="list-style-type: none"> • \$500 per month to residents • Initial program funding by a local foundation • City expanded program using Community Financial Resources (CFR) funding in response to acute economic instability experienced during the pandemic • Bundled cash assistance alongside rent and utilities assistance using Federal funds and City general funds 	<ul style="list-style-type: none"> • Expanded initial two-year program to serve 1,000 residents • 3,920 individuals were served within four months
Saint Paul, MN (People's Prosperity Project)	<ul style="list-style-type: none"> • \$500 per month for 18 months • \$300,000 in CARES Act funding was used to launch the program, with additional funds from philanthropic donors 	<ul style="list-style-type: none"> • 150 families participating in the CollegeBound Saint Paul program
Richmond, VA (Richmond Resilience Initiative)	<ul style="list-style-type: none"> • \$500 per month for 24 months • Initial funding from the Robins Foundation and CARES Act money, with additional funds raised by philanthropic investment in the program 	<ul style="list-style-type: none"> • Launched with 18 families, expanded to assist 55 families
Los Angeles, CA (BIG:LEAP)	<ul style="list-style-type: none"> • \$1,000 per month for one year • Program announced in April 2021, supported by \$24 million from the City's general budget 	<ul style="list-style-type: none"> • 2,000 Los Angeles residents
New York, NY (Trust Youth Initiative)	<ul style="list-style-type: none"> • \$1,250 per month for 24 months • Program funded by a variety of philanthropic funders as well as \$300,000 from the NYC Mayor's Office for Economic Opportunity 	<ul style="list-style-type: none"> • 30 to 40 youth experiencing homelessness in NYC
State of California	<ul style="list-style-type: none"> • \$35 million of the State's general funds to support guaranteed income demonstrations around the State • Available for city- or county-administered programs and require a local match 	<ul style="list-style-type: none"> • Focus on transition-aged foster youth and pregnant women

GBI Programs Regionally

There has been an increased awareness of GBI programs in the region since the technology incubator, Y Combinator, started testing the concept of universal basic

income in Oakland, California, in 2016. Other milestones include the launch of the Economic Security Project that directed support to groundbreaking research and projects and implementation of the widely known Stockton program in 2019, championed by then-Mayor Michael Tubbs. The nation’s first basic income initiative, the Stockton Economic Empowerment Demonstration (SEED), provided 125 residents with unconditional cash in the amount of \$500 per month for two years. The program design included a Randomized Control Trial to provide data for an evaluation by a team of independent researchers. The initial SEED program has laid the foundation for the work carried forward by MGI.

Other examples of programs under way in the Bay Area are summarized in the table below.

Table 2: Summary of GBI Projects in the Bay Area

City/County	Population Served	Program Details	Program Dates
City and County of San Francisco	Black and Pacific-Islander pregnant women during pregnancy and six months postpartum (Abundant Birth Project)	<ul style="list-style-type: none"> • \$1,000 per month for 15 months • 150 participants 	Enrollment beginning in summer 2021
City and County of San Francisco	Lower-income artists with practice rooted in a historically marginalized community	<ul style="list-style-type: none"> • 1,000 per month for at least six months • 130 participants 	First payment in May 2021
Santa Clara County	Transition-aged foster youth	<ul style="list-style-type: none"> • \$1,000 per month for 12 months (extended for additional six months) • 72 participants 	First payment in July 2020
Marin County	Black, Indigenous, and People of Color and women with children	<ul style="list-style-type: none"> • \$1,000 per month for 24 months • 125 participants 	Launched in May 2021
City of South San Francisco	Transition-aged foster youth, single heads of household, families with minor-aged children, and residents in the lowest-income census tracts	<ul style="list-style-type: none"> • \$500 per month for 12 months • 160 participants 	Applications closed in August 2021
City of Oakland	Low-income families in East Oakland (Phase 1) and other low-income census tracts with children (Phase 2)	<ul style="list-style-type: none"> • \$500 per month for 18 months • 600 participants 	Phase 1 applications closed June 2021; Phase 2 applications launch in late summer 2021

ANALYSIS

According to research by the Jain Family Institute (JFI) and MGI, successful guaranteed basic income pilots are often multi-year projects that require careful planning and coordination. The phases for developing and implementing a GBI are show in Figure 2 below and include: (1) action planning, research, and best practices; (2) program and research design; (3) process setup, including eligibility, recruitment, and enrollment; (4) monthly payments and the monitoring and evaluation process; and (5) an ongoing process throughout the project focused on communications and outreach.

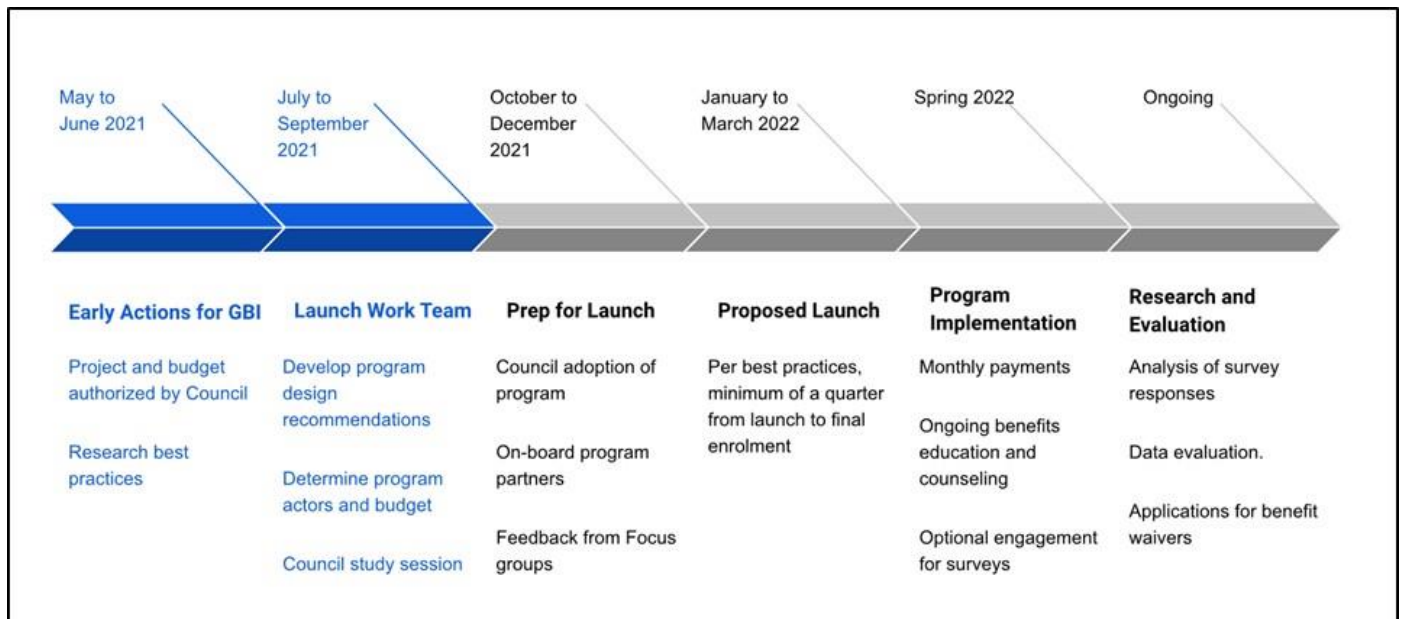


Figure 2: Timeline for GBI Pilot Program

City Actions to Date

A cross-departmental team (Team) led by the City Manager’s Office and the Economic Development Division have developed an action plan (Attachment 2 to this Study Session memorandum) and gathered best practices from basic income leaders with an emphasis on local and regional programs in the City of Stockton, Santa Clara County, City of South San Francisco, City of Oakland, Marin County, and City and County of San Francisco, among others. The focus of the Team’s work has been assessing the basic income needs of Mountain View residents and learning about how basic income programs work, including an understanding of the necessary implementation actors and roles, partnership opportunities, costs for various program components, and desired outcomes for the pilot.

The Team worked with the MGI initiative, as reflected in the Council resolution adopted on May 25, 2021, to identify thought and technical assistance partners who are leaders in GBI best practice to help guide and support the City's GBI pilot. Additionally, the Team anticipates the City entering into joint letters of agreement/Memoranda of Understanding (MOUs) for no-cost thought partnerships with the Stanford Basic Income Lab (BIL) and the JFI. The Stanford BIL is a local leader in the field, which serves as an academic home for the study of universal basic income and is cocreating a data dashboard with the Center for Guaranteed Income and preparing a tool kit for cities exploring guaranteed income. JFI is a nonprofit research organization based in New York City that has worked on a wide variety of guaranteed income research and implementation projects, including in South San Francisco and Compton, CA; Newark, NJ; Hudson, NY; and others.

The Team has joined and participated in the "CA GI Community of Practice" and the Bay Area Basic Income Guaranteed Income collective comprised of programs operating in the region. Staff has also met with and assessed multiple organizations who play roles in the implementation of basic income programs, such as nonprofit agencies and fiscal payment processors.

Staff has engaged with Mountain View Community-Based Organizations (CBOs), established a communications and outreach plan, and begun sharing communications about this initiative with the community through the launch of a project webpage and a feature article in *The View* newsletter. In addition, staff set up an *Ask Mountain View* topic and a "contact us" email for questions/feedback.

Mountain View Needs Assessment

Information from the most recent U.S. Census Bureau along with statistics from the Mountain View Consolidated Plan 2020-25 shows many residents of the Mountain View community were struggling even before the COVID-19 pandemic. The impacts of the pandemic have exacerbated this struggle.

The City of Mountain View uses income limits to establish programs, such as the rent relief program. The current income limits for Santa Clara County are outlined below in Table 3.

Table 3: 2021 Santa Clara County Area Median Income (AMI) Limits

Income Level	Income Limits by Household Size			
	1	2	3	4
Low-Income (LI) <80% of Area Median Income	\$82,450	\$94,200	\$106,000	\$117,750
Very Low-Income (VLI) <50% of the Area Median Income	\$58,000	\$66,300	\$74,600	\$82,850
Extremely Low-Income (ELI) <30% of Area Median Income	\$34,800	\$39,800	\$44,750	\$49,700

Details of the number of households by income limits are included below in Table 4. Prior to the pandemic, there were nearly 6,500 households in Mountain View classified as ELI, using the most recent Census data about incomes currently available and current AMI limits for Santa Clara County.

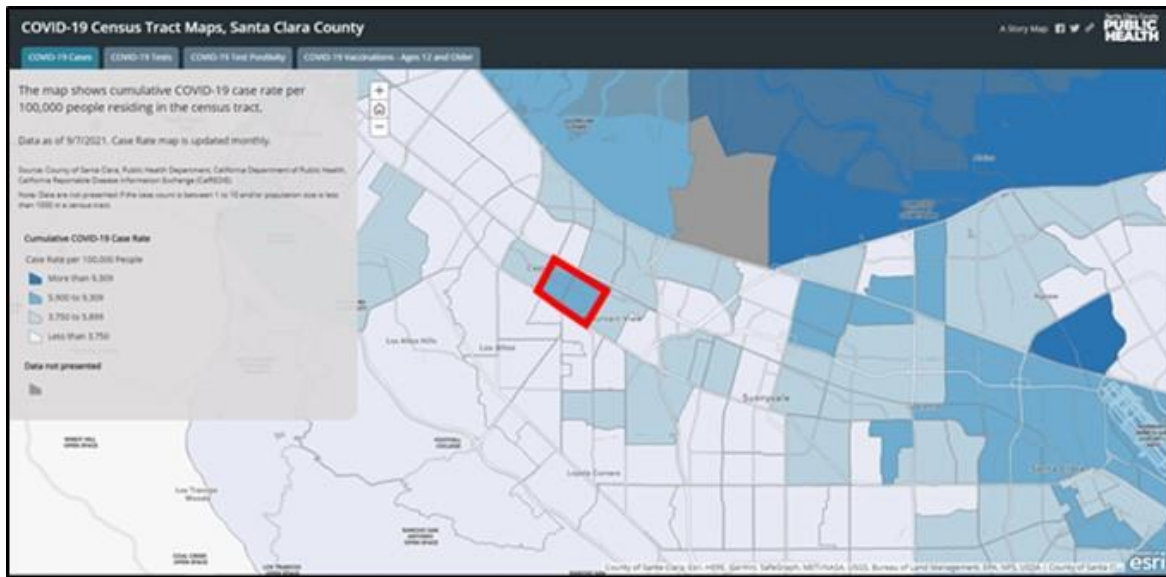
Table 4: Mountain View Households by AMI Limits¹

Income Level	Number of Households
Low-Income (LI) <80% of Area Media Income	Approximately 2,700 households
Very Low-Income (VLI) <50% of the Area Median Income	Approximately 2,940 households
Extremely Low-Income (ELI) <30% of Area Median Income	Approximately 6,480 households

¹ Source: American Community Survey 2019 – 5-Year Estimate Table S1901

Furthermore, nearly 1,000 households in Mountain View have children at home under the age of 18 who are receiving some form of assistance, including Supplemental Security Income and Cash Public Assistance Income.

Within Mountain View, COVID-19 cases have acutely affected two census blocks disproportionately more than other areas within the City (see Map 1: COVID-19 Cases by Census Tracts). Census Tract Nos. 5094.03 and 5095 have a higher concentration of positive cases per 1,000 people.

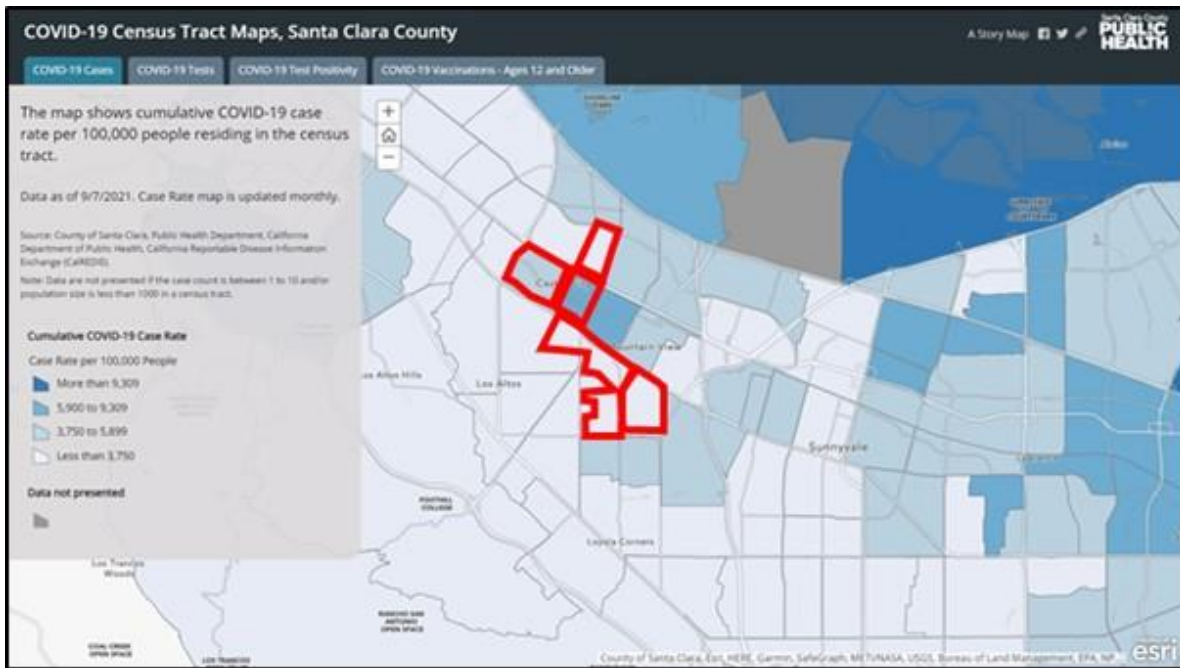


Map 1: COVID-19 Case Rate by Census Tracts

When comparing COVID 19 cases to higher concentrations of ELI households by Census Tract (concentration greater than 20%), there are some correlations as highlighted in Table 5 and Map 2 below.

Table 5: COVID Case Rates by Census Tracts, ELI Households, and Population Share

Census Tract	Percent of Households ELI	COVID Cases Rate Per 100,000	Population Latino	Population Anglo	Population Asian
5093.03	29.1%	3,340	13%	42%	38%
5094.03	30.9%	7,302	41%	28%	26%
5094.04	22.1%	4,391	20%	31%	43%
5095.00	19.4%	7,017	30%	35%	27%
5098.01	21.3%	3,201	12%	49%	30%
5099.02	26.5%	2,716	12%	46%	34%



Map 2: COVID Case Rates by Census Tracts and ELI Households

Pilot Project Outcomes

Implementing a GBI program for Mountain View is anticipated to benefit both participants and the broader community. Outcomes from nationwide pilots are showing a direct correlation between GBI programs and the alleviation of poverty and creation of social mobility and equity for residents. According to the JFI research findings on GBI programs, there is little evidence supporting the common perception that direct cash assistance decreases the motivation to work or that cash payments are spent on nonessential goods. The Stockton SEEDS program found that payments were used for the purchase of food, reduced month-to-month income volatility, and removed barriers to full-time employment.

Anticipated outcome and outputs from the Mountain View GBI pilot include:

- Provide basic income for participating Mountain View residents to meet essential needs, including food and financial security and empowering individual decision-making.
- Create financial stability to support and enable greater full-time employment participation.

- Access to supportive services to program participants that willingly accept the offering.
- Innovation with new and existing social service partners/agencies.
- Potential identification of new City or community programs based upon GBI research findings that align with Community for All goals.
- Contribute to the national knowledge base on Basic Income Programs.

Pilot Design Recommendations

The best practices staff has gathered through research and engagement over the past few months and have informed staff's recommendation for a Mountain View GBI pilot program that is in line with the recommendations of the leading GBI pilot examples and policy institutes. These include: focusing on low-income individuals; offering but not requiring access to safety-net services; offering optional financial coaching and/or connecting participants to existing institutions; structuring the funds as a gift; providing the regular payment for a specified period that the participants can count on; encouraging but not requiring participation in the evaluation component; and offering simple streamlined enrollment procedures where possible.

The City's goals are to:

1. Help the most vulnerable residents disproportionately affected by wide-ranging financial challenges, including the ramifications of the COVID-19 pandemic.
2. Provide longer-term (one to two years) guaranteed income for residents in need and offer optional tools and resources to increase the stability of participants and their families.

Staff recommends a GBI program centered on aiding ELI Mountain View families and custodial caregivers with one or more children under the age of 18 at the time of application. Income eligibility would be set at 30% AMI, similar to the majority of residents assisted through the City's rent relief program administered by CSA. This is also in line with the recommended parameters for the City's funding of the Mountain View Solidarity Fund, as discussed in another item on tonight's Council's agenda. Eligibility would be without regard to documentation and housing status for Mountain View residents. As proposed, the GBI pilot would provide participants \$500 a month for 12 to 24 months (\$6,000 per year), serving approximately 166 families. (At this point,

Council has appropriated funds for the first-year pilot. Funding for the second year would require additional Council direction).

How GBI Works

The following figure, modified from a sample flow chart provided by BIL, shows how GBI works from start to finish, including outreach, application, eligibility determination, research design, set up of the implementation process, ongoing program administration, and evaluation. There is a great deal of complexity to establishing and operating a GBI program, requiring considerations that go beyond typical financial assistance programs.

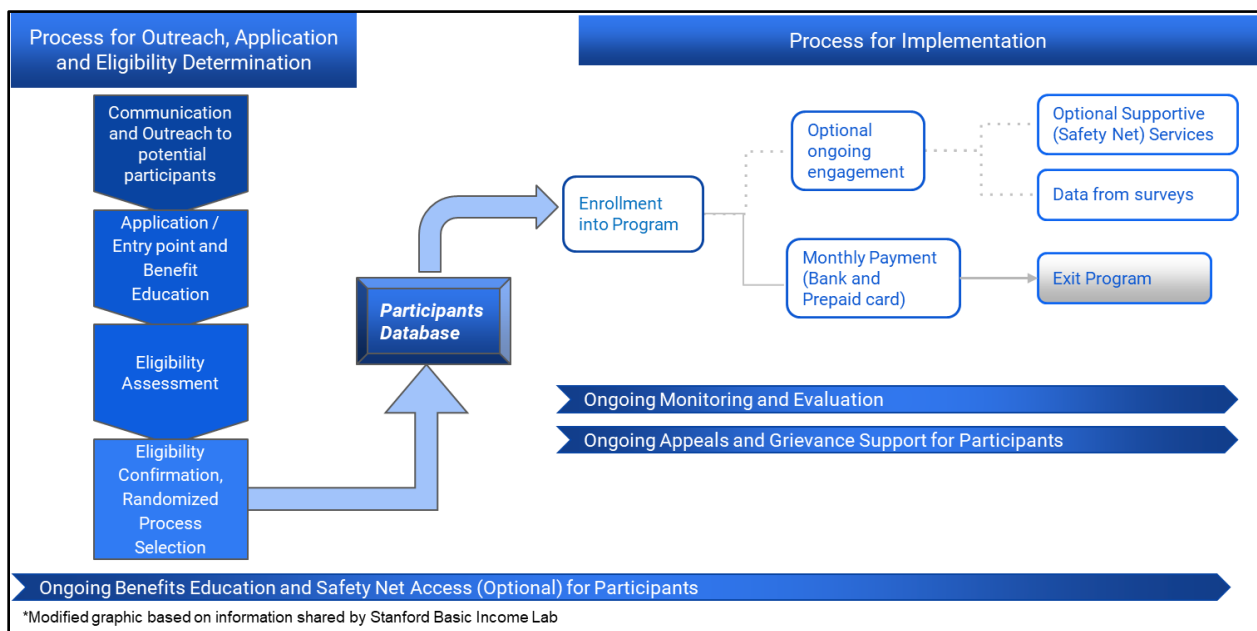


Figure 3: How GBI Works*

Necessary Implementation Actors and Roles

According to best practices compiled by JFI, the primary roles of a basic income program include the communities being served who contribute to the program design, policymakers who facilitate the creation and support its implementation, fundraisers who are tasked with expanding the financing for the pilot, implementation partners who are responsible for various aspects of administering a program, researchers who help design and evaluate the program, and communications staff who share the results of the program.

As mentioned above, program implementation includes key partners to accomplish the various tasks of launching and running a successful pilot. Each of these partners bring

unique expertise and resources. The figure below provides a summary of the actions that would be supported by the various partners as well as some preliminary assessments of partnership opportunities.

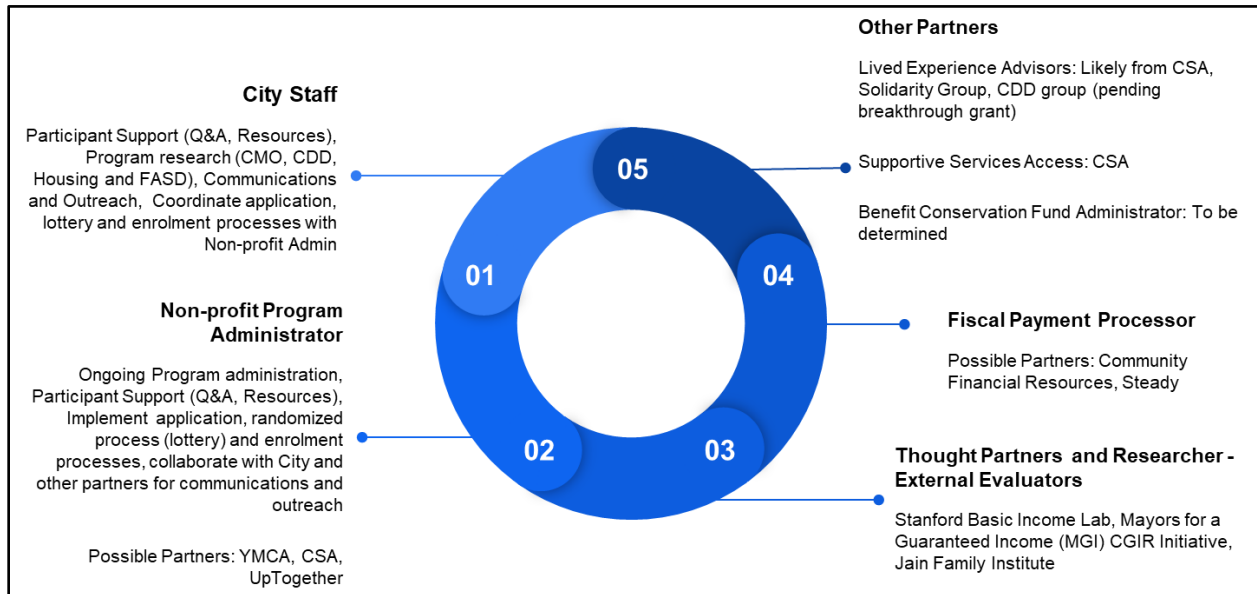


Figure 4: Multiple Implementation Actors and Roles

The various actors and roles are further described below, along with the associated cost estimates.

City Staff (Cost Estimate – Existing Staff Resources)

The cross-departmental team has developed pilot parameters for City Council approval. The team will assist in the coordination of the research design, communications, and outreach, develop the application, and review applicable surveys and other enrollment processes with any selected nonprofit partner(s). The staff resources are designated for this project as part of the Council Strategic Roadmap.

Thought Partners (Cost Estimate – No Cost)

As noted earlier, the City has established relationships with MGI and is looking to finalize joint letters of agreement/MOUs with the Stanford BIL and JFI. These three organizations have given freely of their time to assist in guiding staff and the development of the pilot recommendations.

Researchers and External Evaluators (One-Time Cost Estimate – \$250,000)

Staff recommends a full GBI that includes a robust research design to determine how the program contributes to creating financial stability. The research element of the pilot will directly inform the City, in relatively real-time, regarding the outcomes being achieved in the Mountain View community. A research component is also important to secure a benefit waiver so that GBI participants do not risk losing benefits from their other assistance programs. Without a research component, a waiver will not be granted. In addition, the evaluation of the Mountain View GBI will contribute to the knowledge base and broader context for guaranteed income and social and economic justice.

Staff has discussed evaluation options with Stanford BIL and assessed a variety of possible research approaches. Based on this assessment, staff recommends a full Randomized Control Trial evaluation which would survey 110 GBI participants and 132 nonparticipants as the control group. The two groups would be surveyed at every six-month mark and six months after the pilot has fully ended. In addition, in-depth individual interviews would be conducted with 30 participants.

Staff's initial assessment of research partners has been narrowed down to the University of Pennsylvania Center for Guaranteed Income Research (CGIR). The CGIR has partnered with MGI to support and offer discounted research design of GBI pilots. Several GBI pilots are currently working with CGIR to conduct Randomized Controlled Trial research which collects both local research data and contributes to national data collection on basic income programs. The base survey design includes standard questions allowing comparison and analysis across all participating GBI pilots and specific questions and analysis related to Mountain View participants.

Nonprofit Partners and Program Administration Support (One-Time Cost Estimate of \$150,000)

Nonprofit partners are needed to help identify participants for the program from outreach and other data sources. They would be the lead actor in the launch of the program, do income qualification as a part of the comprehensive intake process, and be responsible for the ongoing program administration in coordination with the City. The nonprofit would also assist with communications and outreach.

As discussed in the previous section, GBI is not simply a financial assistance program. This is important as there is no one provider of GBI—it requires a team effort. The best practices indicate that having a trusted, connected partner within the community is the best pathway to a successful GBI program. Factoring this in, along with the recommended scope of the project, and focusing on families with children under the age of 18 that are likely to be a part of the school districts, staff reached out to CSA as the

designated safety-net provider for Mountain View and the YMCA. In addition, staff engaged with other nonprofits that are operating in the relatively new GBI space providing services locally/nationally, such as the nonprofit Up Together.

To determine the viability of the recommended program, City staff had preliminary, productive discussions with the Mountain View nonprofit organizations that might have a role in the administration of this program. Staff also previewed the core recommendations with our CBO team that meets monthly since these trusted collaborators will be key to reaching out to prospective participants. Although all of our local service organizations are stretched to their limits at this time, particularly their administrative capacity, staff's assessment at this time of CSA and the YMCA is that there is a real opportunity to partner with the local agencies to support the administrative need(s) of the GBI program implementation. It is likely that City staff will be able to build a partnership to support the program.

Fiscal/Payment Processors (One-Time Cost Estimates Range from No Cost to \$30,000 to \$50,000)

These organizations assist in the distribution of cash monthly through electronic transfers and/or a card for their payments. This would include providing access to participants without bank accounts and for those without Social Security numbers and an Individual Taxpayer Identification Number (ITIN). It would also include assistance with financial literacy programs and other resources available to the participants. Staff's initial assessment of partners is that there are unique options for different participant experiences available.

Other Partners (One-Time Cost Estimate – Nominal)

Staff also recommends lived-experience advisers be incorporated into the program design and throughout the pilot to offer feedback to ensure the program meets the need of our ELI residents. Staff is recommending that the City provide nominal stipends to the advisors and survey incentives for the participants (if not part of research design), since there can be approximately 20% attrition over a one year period. City staff would also be working directly with CSA for connection to optional supportive safety-net services.

Benefits Conservation Fund (One-Time Cost Estimate – Range Varies from ~\$50,000 to \$200,000 – Staff Estimates at the Lower Range)

As noted earlier in this section, there are some risks to participant's eligibility for safety-net services and commonly received benefits, such as CalWorks, Social Security, SSI/SSDI, WIC, and others, if GBI is considered income under the benefit program rules

and the payments result in an individual exceeding the eligibility threshold. The proposed structure of the GBI program is to have payments made as grants paid directly to individuals by a nonprofit administrator funded by the City, in part to facilitate the payments' treatment as a gift (rather than income) for tax purposes and for program eligibility purposes (for any benefit programs that may allow GBI to be considered a gift, not income). For these reasons, the GBI program proposes to provide a total annual benefit under \$15,000, which is the IRS gift tax exclusion for 2021.

However, most benefit programs would likely treat GBI as income, potentially affecting eligibility. Therefore, the City will also pursue waivers and will coordinate with State and local benefits agencies, but the timelines can be a year or more based upon other pilot programs. To counter potential benefit loss, cities have built upon SEED's concept of a hold-harmless fund. This preserves benefits by providing additional assistance associated with potential loss of benefits. In SEED's case, the fund was to reimburse recipients in case of an unexpected loss of benefits. The costs vary depending on the benefits of the participants. In Stockton's SEED's case, \$40,000 was lost during the program.

Staff analyzed the number of families in Mountain View who qualify for various County, State, and Federal benefits to develop the possible range in funding that may be needed to hold participants harmless in the event of a loss of other benefits as a result of receiving GBI payments.

Funding Needed for Additional Program Costs

The initial amount of funding approved by Council for the GBI pilot program was \$1 million. Staff's analysis of the necessary components to administer and realize the full potential of the program, including conducting valuable research to track the benefits gained from this program and providing a benefits conservation fund, has identified additional costs beyond the direct cash payments to recipients. The total additional estimated cost is \$500,000 to \$650,000 (depending on the cost within the estimated range for the Benefits Conservation Fund). Staff would also pursue philanthropic donations for the program.

The revenue source for the GBI pilot cash payments is from the first year of the American Rescue Plan Act (ARPA) moneys. The funding source for the additional costs is still being analyzed but could come from the second year of ARPA funding or from the General Non-Operating Fund.

When staff returns to Council before the end of the calendar year with a revised report incorporating the direction received tonight, a funding recommendation will also be included.

Summary of Program Design and Components

Table 7: Program Design Recommendations

	Mechanics	Recommended Program (One-Time Cost Estimate ~\$500,000)
Program Design	Centered on providing broad access assistance to families with children	Staff recommends three eligibility criteria: <ul style="list-style-type: none"> • Resident of Mountain View regardless of status; unhoused eligible • Income at or below 30% AMI • Parental/custodial caregiver for at least one child under the age of 18 at the time of the application
Disbursement Amount	\$500 versus \$1,000 per month	Staff recommends \$500 distributed to 166 people
Program Length	12 months followed by a 12-month extension	For consideration: extending program by an additional year with Council direction for additional program funds (and longer if donations)
Disbursement Options	Debit card or bank account (assistance for the unbanked will be provided)	Staff recommending payment disbursement on the 15th of the month (subject to lived-experience advisors)
Supportive Safety-Net Services	Ongoing during program and optional service for participants, including benefits counseling, linkages to applicable social safety-net programs, and financial coaching	Services offered by nonprofit program administrator and fiscal payment processor as part of program
Benefit Conservation Fund	Flexibly scaled based on assessment of impacts to participants' benefits and potential waivers obtained	Estimated range can be low-to-high \$50,000 to \$200,000. Staff recommends allocating at the lower range for the Benefits Conservation Fund
Incentives for participation	Incentives provided to participants to encourage ongoing survey engagement Stipends to lived experience advisors for providing feedback on program design	Staff recommends incentives for survey participation and stipends to lived experience advisors
Research Design	Optional core survey followed by surveys during and after the program, survey data analysis, and research and evaluation for contributing qualitative data to the important policy debate and pursuing benefit waivers	Staff recommends allocating one-time funding for the research component of the program

Council Direction

1. **Does Council agree with the staff recommendations for goals, design, and anticipated outcomes for the GBI pilot program?**
2. **Does Council agree with the staff recommendation to fund the Benefits Conservation Fund and the research design and evaluation component, or does Council have alternative direction?**

NEXT STEPS

Staff will undertake further assessments based on Council feedback, including refining the budget and finalizing the research partner and nonprofit partner(s) based on final program design. In addition to the CGIR core survey, staff will also identify two to three research topic areas that are specific to Mountain View for the City Council's consideration to be included in the final approved research design.

Staff anticipates returning to Council in November or December for Council consideration of formal program adoption and budget appropriation to align with the approved recommendation.

PUBLIC NOTICING

Agenda posting and meeting date shared on the GBI webpage. A copy of the report was sent to interested GBI project parties, including YMCA of Silicon Valley, CSA, Mayors for a Guaranteed Income, Jain Family Institute, Stanford Basic Income Lab, Silicon Valley Community Foundation, Los Altos Mountain View Community Foundation, Mountain View Chamber of Commerce, the Downtown District, and the CBO team that the City's Human Services Division meets with monthly.

KST-JL-HR/HM/6/CAM
613-09-28-21SS
201207

- Attachments: 1. [Council Report – May 25, 2021](#)
2. GBI Action Plan Summary



DATE: May 25, 2021

CATEGORY: Consent

DEPT.: City Manager's Office

TITLE: **Support for the Principles of the Mayors for a Guaranteed Income Initiative and Support Basic Income, a Cash-Based Pilot Program**

RECOMMENDATION

Adopt a Resolution of the City Council of the City of Mountain View Committing City Support for the Principles of the Mayors for a Guaranteed Income Initiative, Authorizing Participation in the Initiative, and Expressing Support for Basic Income, a Cash-Based Pilot Program in the City of Mountain View, to be read in title only, further reading waived (Attachment 1 to the Council report).

BACKGROUND

Mountain View has been at the forefront regionally with its COVID-19 response, launching financial assistance programs for rental payments, landlords, and small-business owners strained by the COVID-19 pandemic. Taking further proactive steps at the April 27, 2021 City Council meeting, Council recommended staff include for approval as a part of the Fiscal Year 2021-22 budget \$3 million in American Rescue Plan Act (ARPA) funds for a triad of programs that will be used to support our community's most vulnerable residents during the recovery from the COVID-19 pandemic.

The first \$1 million will be used to launch a Universal Basic Income (UBI) pilot program, another \$1 million will be used to provide additional funding to Community Services Agency (CSA), including \$750,000 in direct financial assistance and \$250,000 to be used at CSA's discretion to fund priority needs as they deem appropriate, and the third \$1 million will be used as an exponential increase in funding for an existing community-based Solidarity Fund.

The triad of programs will be incorporated into the City's new Strategic Roadmap to be approved by Council in June. These creative and responsive programs align broadly with the City Council's newly crafted strategic priorities, including Community for All, Economic Vitality, and Livability and Quality of Life, by addressing racial equity, income disparity, and recovery from the COVID-19 pandemic.

Staff is in the very early stages of determining the scope of the new pilot UBI initiative, and there is one initial action recommended at this time. The initial UBI scope and the recommended action is summarized in the next section of this report and similar content will be included in the Recommended Budget report that is scheduled for the June 8 City Council meeting.

ANALYSIS

Universal Basic Income (UBI) Pilot Program

Universal Basic Income (UBI) programs typically provide a flat monthly cash payment to qualified residents. The UBI pilot program goal is to alleviate the suffering of residents struggling with the wide-ranging financial ramifications of the COVID-19 pandemic by developing and implementing a fast and direct way to stabilize residents in need. The cash payment is most effective because it is fast, flexible, and fills the gaps that other assistance programs are missing.

Unlike other government assistance programs that normally come with restrictions and requirements, recipients would be empowered to make their own decisions on how to spend the money and best meet their own basic needs. Program designs vary, but many UBI pilot programs most often focus on low-income individuals or families with children. Other programs under way have specifically helped low-income single mothers with children and/or pregnant women or immigrant families in need of assistance due to the barriers from some Federal assistance programs.

The City of Stockton implemented one of the most widely recognized programs for UBI. It was the nation's first local guaranteed-income initiative. Launched in February 2019 by former Mayor Michael D. Tubbs, Stockton Economic Empowerment Demonstration (SEED) provided 125 residents \$500 per month for 24 months. The financial support was unconditional with no strings attached. The program design included a randomized control trial to provide for data evaluation by a team of independent researchers.

The SEED program has evolved into Mayors for a Guaranteed Income (MGI), which is a nationwide coalition advocating for a guaranteed income to ensure that all Americans have an income floor. Member cities/mayors have signed on to a statement of principles and commit to advocating for cash-based policies at the Federal level, participating in narrative change efforts to highlight the lived experience of economic insecurity, and inviting other cities to join MGI effort. There are flexible levels of engagement based on each city's time and resources.

City Developing a UBI Action Plan

A cross-departmental team led by the City Manager's Office and the Economic Development Division has begun gathering best practices from leaders in this space with an emphasis on local and regional exemplars, such as the City of Stockton, the Santa Clara County Program for aged-out foster youth, the City of South San Francisco, the City of Oakland, County of Marin, and the City and County of San Francisco, among others.

This is supplemented by engagement with potential thought or technical assistance partners, such as the Silicon Valley Community Foundation, MGI Initiative (discussed further in this report), and the Stanford Basic Income Lab. A full review of needs and options for thought or technical assistance partners to assist with program design, implementation, and administration will be analyzed.

It is also anticipated that staff will review data on the socioeconomic disadvantaged population, including, but not limited to, parks and recreation waivers, Mountain View unemployment, rental assistance program data from CSA, Census tracts, Title 1 schools in our school districts, and eligibility for free and reduced-price meals. Strategies for branding the pilot program and developing a communications and community outreach plan along with the pursuit of philanthropic and corporate donations will also be explored.

On May 14, 2021, Governor Newsom announced that the State budget would include \$35 million in funding for cities or counties launching universal basic income pilot programs. Cities or counties would have to commit their own financial resources or receive philanthropic donations in order to receive any of the State funding, and the program must target low-income individuals. Staff will be actively monitoring this program as more details are released.

UBI Anticipated Timeline

The staff team will analyze the groups to serve, qualification parameters, income restrictions, such as the guidelines already used successfully for the CSA rental assistance program, payment amounts, program length, and data metrics, and will develop program recommendations to present at a Study Session in fall 2021. The UBI pilot program is anticipated to launch by January 2022.

Early UBI Recommendation

Staff recommends Council authorize the Mayor this year and during the years of the pilot program to participate in the MGI Initiative and thereby show City support for basic income and a cash-based pilot program for Mountain View. This action will allow staff to work with MGI immediately and benefit from hands-on assistance in developing a pilot program, gain a deeper understanding of the MGI data-gathering program and other best practices, and directly connect with staff in other cities that have launched pilot programs.

By adopting the proposed resolution (Attachment 1), Council would be broadly signing on to the MGI statement of principles (Attachment 2) to: (1) advocate for cash-based policies at the Federal level; (2) participate in narrative change efforts to highlight the lived experience of economic insecurity; and (3) invite other cities to join in these efforts. As mentioned previously, there are different levels of engagement on these principles depending on time and resources. The resolution also expresses Council's support for basic income, a cash-based pilot program. This action may be helpful to compete for the matching State funds discussed earlier in this report.

At this early stage, staff is not preparing a detailed resolution expressing the City's commitment to a defined guaranteed income program or requesting authorization for a Memorandum of Understanding (MOU) with MGI at this time. As staff moves forward with the initiative, MGI will be one of several organizations that the City will review for future thought and operations partnerships.

FISCAL IMPACT

There is no fiscal impact associated with the adoption of this resolution. Funding for the pilot UBI initiative will be a part of the Fiscal Year 2021-22 budget authorization and will be included with the Recommended Budget on June 8, 2021.

ALTERNATIVES

1. Do not adopt the resolution supporting the Principles of the Mayors for a Guaranteed Income Initiative and expressing Council support for basic income, a cash-based pilot program.
2. Provide other direction to staff.

PUBLIC NOTICING

The meeting agenda and Council report have been posted on the City's website and announced on Channel 26, and notices were sent to MGI's representatives.

Prepared by:

Kimberly S. Thomas
Assistant to the City Manager

Approved by:

Audrey Seymour Ramberg
Assistant City Manager/
Chief Operating Officer

KST/HM/6/CAM
609-05-25-21CR
201164

Attachments: 1. Resolution
2. [MGI Statement of Principles](#)

GUARANTEED BASIC INCOME PILOT PROGRAM—ACTION PLAN SUMMARY

Action	Lead Dept.	Support Dept.	Status	Timeline
Resolution of Support for the Principles of the Mayors for a Guaranteed Income (MGI) Initiative	CMO and CDD	CAO	Completed	
Develop Action Work Plan for GBI	CMO and CDD	CAO, FASD, Communications	Completed	
Develop phased communications, community outreach, and engagement plan: <ul style="list-style-type: none"> • Preliminary webpage created • CRM topic available • GBI email ID set-up 	CMO and CDD	Communications	Completed	
Coordinate connections with the CSA and Solidarity Funds (three pillars to direct cash assistance)	CMO and CDD		Ongoing	
Research best practices and links program partners	CMO and CDD		Completed	
Mountain View needs assessment	CDD	CMO	Completed	
Get early feedback from CBOs	CMO		Completed	
Council Study Session	CMO and CDD			September 28, 2021
Develop recommended program and research design	CMO and CDD			October 2021
Finalize program administration costs based on program approved during Council Study Session	CMO and CDD	CAO and FASD		October/November 2021
Hold focus group meetings with CBOs and lived-experience advisors (post-Council Study Session)	CMO and CDD			October 2021
Council adoption of program	CMO and CDD	CAO and FASD		November/December 2021
Onboard program implementation partners	CMO and CDD	CAO and FASD		November/December 2021

Action	Lead Dept.	Support Dept.	Status	Timeline
Finalize program eligibility, enrollment, and benefits education processes (possible two-year program)	CMO and CDD	CAO and FASD		November/December 2021
Prep for launch with program partners: research design approval, benefits education, outreach, communications, and various administrative parameters	CMO and CDD	CAO, FASD, Communications		Early 2022
Launch Program	CMO and CDD			Early 2022
Program evaluation and monitoring by research partners	CMO and CDD			Ongoing during and after program
Program outcome analysis by research partners	CMO and CDD			After program